

# The Farm Mortgage Situation in Putnam, Union, and Greene Counties, Ohio

V. R. Wertz



OHIO  
AGRICULTURAL EXPERIMENT STATION  
Wooster, Ohio



The Ohio State University

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# **THE FARM MORTGAGE SITUATION IN PUTNAM, UNION, AND GREENE COUNTIES, OHIO**

**V. R. WERTZ**

## **SUMMARY**

1. The ratio of farm mortgage debt to the value of all farm land and buildings in Putnam, Union, and Greene Counties increased from 6.8 per cent in 1910 to 17.7 per cent in 1930.

2. The ratio of debt recorded to the value of farm land and buildings on which this debt was recorded was 35.9 per cent during 1910, 44.4 per cent during 1925, and 40.0 per cent during 1931.

3. With the mortgage debt recorded in 1910 considered as a base, in 1920, 1925, 1930, and 1931 the mortgage debt per acre recorded remained relatively higher than the value of real estate per acre and lower than the prices of Ohio farm products; however, in 1931 the debt recorded was relatively higher than the prices of Ohio farm products.

4. During 1910, 1920, 1925, 1930, and 1931, 87 per cent of all the funds loaned on recorded farm real estate mortgages came from Individuals, Insurance Companies, Building and Loan Companies, and State Banks. The volume of loans from Insurance and Building and Loan Companies held up better in 1925, 1930, and 1931 than that from other sources of funds.

5. The only year included in this study in which Federal and Joint Stock Land Bank loans made up any substantial part of the total in these counties was 1925; in this year, 15.4 per cent of all funds loaned on recorded farm mortgages came from this source.

6. The average size per recorded farm mortgage granted increased from \$2,683 in 1910 to \$6,091 in 1920, and in 1931 stood at \$2,714.

7. The average length of time for which loans were drawn to run was 4 years during 1910, 4.8 years during 1920, 8.0 years during 1925 (Increased by Federal and Joint Stock Land Bank loans), and 4.9 years during 1930.

8. Interest rates ranged from an average of 5 to 8 per cent, with the most common rate averaging around 6 per cent.

9. The number of farms foreclosed on was eight in 1910 and 80 in 1931. The property sold for \$5,129 more than the judgment in 1910 and \$179,362 less than the judgment in 1931.

10. The number of chattel loan mortgages increased from 1,571 in 1910 to 9,547 in 1929 and stood at 8,341 in 1931.

11. Approximately one-half of the number of loans made on chattel mortgages in 1930 was made to farmers.

12. Of the \$1,484,202 loaned to farmers on chattel mortgages in 1930, 80 per cent was loaned by Banks, Individuals, Finance Companies, and Motor Sales Agencies.

13. Interest rates on chattel mortgage loans ranged from 5 per cent per year to 3 per cent per month.

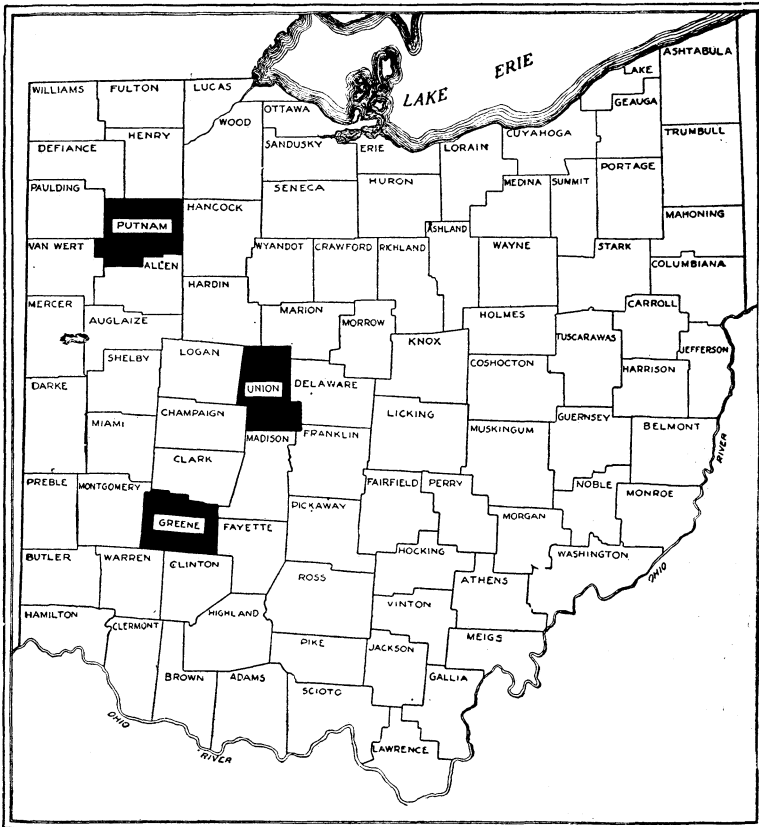


Fig. 1.—Location of Putnam, Union, and Greene Counties

## INTRODUCTION

During the past few years there has been unusual interest in the question of agricultural credit. This interest has been stimulated largely by the unfavorable economic position of agriculture since 1920. Because of the rapid decline in prices of farm products

and agricultural land since 1929, the problem of financing agriculture has become more and more acute. This study is intended to throw some light on the status of farm finance of interest to farmers, farm organizations, law makers, and others interested in improving the agricultural credit system.

The information given here concerns farm mortgage credit in three western Ohio counties—Putnam, Union, and Greene—and is regarded as fairly typical of the western half of Ohio. The facts upon which this analysis is based were taken from the records kept by the County Recorders in these three counties.<sup>1</sup> The study is primarily concerned with farm real estate mortgages, although some space is also given to chattel mortgages.

The method followed here in presenting the results of this study is, first, to give the more general facts pertaining to the farm mortgage situation in these three counties combined and, then, to give the facts more in detail. Tables were compiled for each county separately, as well as for the three counties combined, but space did not permit the inclusion of the county tables in this publication. The main emphasis in this study is placed upon the analysis of the figures combined for all three counties, calling attention to marked variations from county to county.

### OUTSTANDING MORTGAGE DEBT

The outstanding farm mortgage indebtedness in Putnam, Union, and Greene Counties increased 160 per cent from 1910 to 1925 and, in 1930, still stood 138 per cent above that of 1910. The estimated farm mortgage debt for the state of Ohio increased 89 per cent from 1910 to 1925 and, in 1930, was ~~118~~ <sup>129</sup> per cent above its level in 1910.

15 The ratio of debt to the value of all land and buildings in the three counties increased from 6.8 per cent in 1910 to 17.7 per cent in 1930. Land and building values made such a great increase from 1910 to 1920 that the ratio of debt to value fell 1.2 per cent from 1910 to 1920. The ratio of debt to the value of farm land and buildings in Ohio was ~~12~~ <sup>12</sup> per cent in 1930 as compared with 17.7 per cent for the three counties for which this analysis was made.

In 1910 there were 8,817 farms in Putnam, Union, and Greene Counties and in 1930 there were 7,304 farms. Had this mortgage indebtedness been distributed over all farms in the three counties, the average debt per farm would have been \$559 in 1910, and \$1,606, or 3 times as great, in 1930. The average debt for all farms

<sup>1</sup>The writer wishes here to express his appreciation for the very valuable services rendered by these public servants in making this information available.

in the State, if all farms had been mortgaged, would have been \$417 in 1910 and \$919 in 1930, an increase of 120 per cent. The most reliable information available on the proportion of farms mortgaged is that given in the Federal Census for the percentage of "full-owner-operated farms". The Federal Census for 1930 shows that 48 per cent of the "full-owner-operated farms" in Putnam, Union, and Greene Counties was mortgaged in 1930, as compared with 40 per cent for the State as a whole.

**TABLE 1.—Ratio Between Outstanding Farm Mortgage Indebtedness and the Value of All Farm Land and Buildings in Putnam, Union, and Greene Counties, Ohio, in 1910, 1920, 1925, and 1930**

Year	Value of all farms	Total mortgage debt*	Ratio of debt to value
	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>
1910.....	72,890,000	4,933,000	6.8
1920.....	129,288,000	7,224,000	5.6
1925.....	79,340,000	12,813,000	16.1
1930.....	66,398,000	11,728,000	17.7

\*Estimated on the basis of data published in the Federal Census and in Technical Bulletin 288 of the Bureau of Agricultural Economics.

#### MORTGAGE DEBT RECORDED IN PUTNAM, UNION, AND GREENE COUNTIES IN 1910, 1920, 1925, 1930, AND 1931

**Number of mortgages.**—During the year 1910 there were 973 farm real estate mortgages recorded in these three counties. This number increased to 1,077 during 1920. This trend in the number of farm real estate mortgages recorded was not followed in all three counties. Although Union and Greene Counties showed an increase of 20 per cent in the number of mortgages recorded from 1910 to 1920, there were four less mortgages recorded in Putnam County in 1920 than in 1910.

Since 1920 there has been a decided downward trend in the number of mortgages recorded on farm real estate in each of these counties. There were 348, or 36 per cent, fewer mortgages recorded in the three counties during 1931 than during 1910. The greatest decrease occurred in Putnam County, where mortgages recorded during 1931 numbered 40 per cent less than in 1910. In Greene County there were 37 per cent less mortgages recorded during 1931 than during 1910, and in Union County there were 30 per cent fewer than during 1910.

**Amount borrowed.**—The amount borrowed on recorded farm real estate mortgages followed the trend in the number of mortgages with a much more rapid increase from 1910 to 1920 and a



sharper decline from 1920 to 1925. The amount of recorded mortgage indebtedness increased from \$2,586,423 during the year 1910 to \$6,380,073 during 1920, declined to \$2,076,058 during 1930 and to \$1,651,122 during 1931, 36 per cent under 1910 and 74 per cent less than in 1920. While the amount borrowed on farm real estate increased greatly in all three counties from 1910 to 1920, the greatest increase was in Greene County. The increase here was \$1,156,613, or 201 per cent, from 1910 to 1920.

In all three counties the amount borrowed on farm real estate mortgages was less in 1930 and 1931 than in 1910, the greatest decline occurring in Putnam County. Putnam County borrowings on farm mortgages in 1931 were \$542,613, or 43 per cent below the amount borrowed in 1910. In Union County the amount borrowed was \$227,586, or 30 per cent less during 1931 than during 1910, and in Greene County, \$165,102, or 29 per cent less.

**TABLE 2.—Number of Mortgages, Mortgage Indebtedness Recorded, and the Acreage and Value of Farm Property on Which Mortgages Were Recorded in Putnam, Union, and Greene Counties During 1910, 1920, 1925, 1930, and 1931**

Year	Mortgages recorded	Mortgage indebtedness recorded	Land on which mortgages were recorded	Value of land and buildings on which mortgages were recorded*
	<i>Number</i>	<i>Dollars</i>	<i>Acres</i>	<i>Dollars</i>
1910.....	973	2,586,423	76,693	7,208,149
1920.....	1,077	6,380,073	98,623	15,773,430
1925.....	880	3,790,812	82,779	8,535,898
1930.....	649	2,076,058	60,267	5,121,994
1931.....	625	1,651,122	53,770	4,131,478

\*Based on the value given in the Federal Census.

This decline in the amount of money borrowed on farm real estate mortgages in 1930 and 1931 was due to falling prices of farm products and land values and to the stringency in the money market rather than to a decline in the need for money.

**Land mortgaged.**—The amount of land on which mortgages were recorded was 29 per cent greater during 1920 than during 1910. By 1931, however, the acreage on which mortgages were recorded was 30 per cent less than during 1910. The greatest percentage gain in acreage mortgaged from 1910 to 1920 was in Greene County. Acreage on which mortgages were recorded in Greene County increased 48 per cent from 1910 to 1920, the gain in Union County was 36 per cent and in Putnam 13 per cent. Putnam County, which made the least gain in acreage mortgaged from 1910 to 1920, showed the greatest decline in acreage on which mortgages were added from 1910 to 1931.

**Value of land and buildings mortgaged.**—The value of land and buildings on which mortgages were recorded increased 119 per cent from 1910 to 1920. This increase in value came about as a result of two causes: An increase of 70 per cent in the value of land and buildings in these three counties and an increase of 29 per cent in the amount of land mortgaged. By 1930 the value of farm real estate on which mortgages were recorded had fallen 29 per cent below 1910 and, by 1931, was 43 per cent less than in 1910. This decline in the value of farm real estate mortgaged in 1931, as compared with 1910, came about as a result of a drop in per-acre values amounting to 18 per cent and a 30 per cent decline in the number of acres mortgaged.

The greatest decline in the value of farm real estate mortgaged from 1910 to 1930 was in Putnam County. The value of farm property mortgaged in Putnam County was 46 per cent less during 1931 than during 1910, 45.5 per cent less in Greene County, and 34 per cent less in Union County. In each county the decline in value of farm property mortgaged from 1910 to 1931 was caused by a drop in the per-acre value and by a decrease in the number of acres mortgaged, principally by the latter.

Amount per mortgage recorded				
1910	1920	1925	1930	1931
<i>Dollars</i> 2,659	<i>Dollars</i> 5,924	<i>Dollars</i> 4,308	<i>Dollars</i> 3,199	<i>Dollars</i> 2,642

**Average size of mortgage.**—The average size per mortgage recorded more than doubled from 1910 to 1920 and, in 1931, was \$17 less than in 1910. The greatest increase in the size of mortgages from 1910 to 1920 was in Greene County. The average size per mortgage recorded in Greene County increased \$3,781, or 135 per cent from 1910 to 1920. During this same period the average size per mortgage in Union County increased 125 per cent and in Putnam County 117 per cent. In 1931 the average size per mortgage recorded in Greene County was \$370, or 13 per cent above the 1910 average; in Union County, \$11 above the 1910 average; and in Putnam County, \$186, or 6 per cent below the 1910 average.

**Value of mortgaged land and buildings per acre.**—From 1910 to 1920 the value of farm real estate in the three counties increased 70 per cent per acre. From 1920 to 1925 land values declined 36 per cent, and by 1931 the estimated value was \$17 less per acre than in 1910.

**Recorded indebtedness per acre.**—During 1910 the mortgage indebtedness recorded per acre amounted to 36 per cent of the value of the land and buildings on which this debt was recorded. From 1910 to 1920 the ratio of debt to the value of farm real estate on which it was recorded increased to 40 per cent. The highest ratio between debt placed on the land and the value of this land was in 1925. From 1920 to 1925 this ratio increased from 40 to 44 per cent. The reason for this increase in the ratio of indebtedness to land values was that land values declined more rapidly than the amount of money borrowed. From 1920 to 1925 land values declined 36 per cent, while the debt recorded per acre decreased only 29 per cent. Had the value of farm real estate in these counties stood at its 1910 level in 1930, the ratio between recorded debt and land values would have been the same as in 1910, for the amount of debt recorded in 1930 was the same as in 1910, \$34 per acre. In 1931 the recorded debt amounted to 40 per cent of the value of the land and buildings on which it was recorded, as compared with 36 per cent in 1910.

**TABLE 3.—Value of Land and Buildings and Recorded Indebtedness per Acre in Putnam, Union, and Greene Counties During 1910, 1920, 1925, 1930, and 1931**

Year	Per-acre value of land and buildings mortgaged during the year*	Indebtedness recorded per acre during the year	Ratio between debt recorded during the year and value of real estate
	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>
1910.....	94	34	35.9
1920.....	160	65	40.4
1925.....	103	46	44.4
1930.....	85	34	40.5
1931.....	77†	31	40.0

\*Taken from the Federal Census.

†Estimated on the basis of figures published by the United States Department of Agriculture in Circular 209, December, 1931.

Union County showed the highest ratio between recorded indebtedness and the value of the property on which mortgages were recorded. This ratio for Union County averaged 42 per cent for the five years 1910, 1920, 1925, 1930, and 1931; for Greene County it averaged 41 per cent; and for Putnam County, 38.5 per cent. With respect to the percentage relationship between money borrowed and the value of the real estate on which it was borrowed, Putnam County was in better shape than either of the other two counties in 1931 as compared with 1910. In Putnam County this ratio was 2 per cent higher in 1931 than in 1910; in Union County it was 2.2 per cent higher and in Greene County 10.6 per cent higher.

**Prices of products, value of land, and recorded indebtedness per acre.**—A comparison of the trend in prices of Ohio farm products, farm real estate values in Putnam, Union, and Greene Counties, and farm mortgage indebtedness recorded per acre in these counties shows that farm land values did not rise as rapidly as farm prices from 1910 to 1920, but that recorded indebtedness rose more rapidly than land values. Since 1920 the value of farm real estate has fallen more rapidly than have the prices of farm products, and recorded indebtedness during each of the years 1925, 1930, and 1931 declined at approximately the same rate as land values. In 1931 the value of farm real estate in these counties was 18 per cent under 1910; whereas the debt recorded per acre was 9 per cent under 1910.

**TABLE 4.—Ohio Farm Product Prices, Value of Farm Real Estate, and Amount of Farm Mortgage Indebtedness Recorded in Putnam, Union, and Greene Counties, Ohio, During 1910, 1920, 1925, 1930, and 1931**

Year	Ohio farm product prices (1910=100)	Value of farm real estate per acre* (1910=100)	Farm mortgage indebtedness recorded per acre (1910=100)
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
1910.....	100	100	100
1920.....	204	170	191
1925.....	153	110	135
1930.....	123	90	100
1931.....	86	82	91

\*Values in 1910, 1920, 1925, and 1930 are Census values. The value in 1931 was estimated on the basis of figures published by the United States Department of Agriculture in Circular 209, December, 1931.

**Mortgage indebtedness by townships.**—Those interested in the variation in mortgages by townships in these three counties will find in the appendix<sup>2</sup> a tabulation of the number of mortgages and amount of mortgage indebtedness recorded, by townships, for the three counties during each of the 4 years, 1910, 1920, 1925, and 1930.

Union County showed the greatest variation by townships. The mortgage indebtedness recorded per acre varied from 22 per cent below the average for the county in Liberty Township to 46 per cent above the average in Claiborne Township. Greene County ranked next with a variation from 31 per cent below the county average for Caesars Creek and New Jasper Townships to 16 per cent above the average in Xenia Township. The variation in Putnam County ranged from 16 per cent below the average in Perry Township to 22 per cent above the average in Pleasant Township.

<sup>2</sup>See Appendix Tables A, B, and C, Pages 30-32.

## SOURCE OF FUNDS

The following section is devoted to an analysis of the source of loans recorded on farm real estate in Putnam, Union, and Greene Counties during 1910, 1920, 1925, 1930, and 1931.

**Number of loans.**—For the 5 years covered by this study, 88 per cent of the recorded farm real estate mortgage loans in Putnam, Union, and Greene Counties was made by Individuals, Insurance Companies, Building and Loan Companies, and State Banks. The number of loans made by these four agencies amounted to 87 per cent of the total in 1910, 92 per cent in 1920, 82 per cent in 1925, 91 per cent in 1930, and 88 per cent in 1931. An increase in the number of loans made by Federal and Joint Stock Land Banks reduced somewhat the per cent of loans made by these four agencies in 1925. For the 5 years studied here, Individuals made 37 per cent of all of the loans made, Insurance Companies made 21 per cent, Building and Loan Companies 18 per cent, and State Banks 12 per cent. The remaining nine agencies together made 12 per cent of the number of loans made.

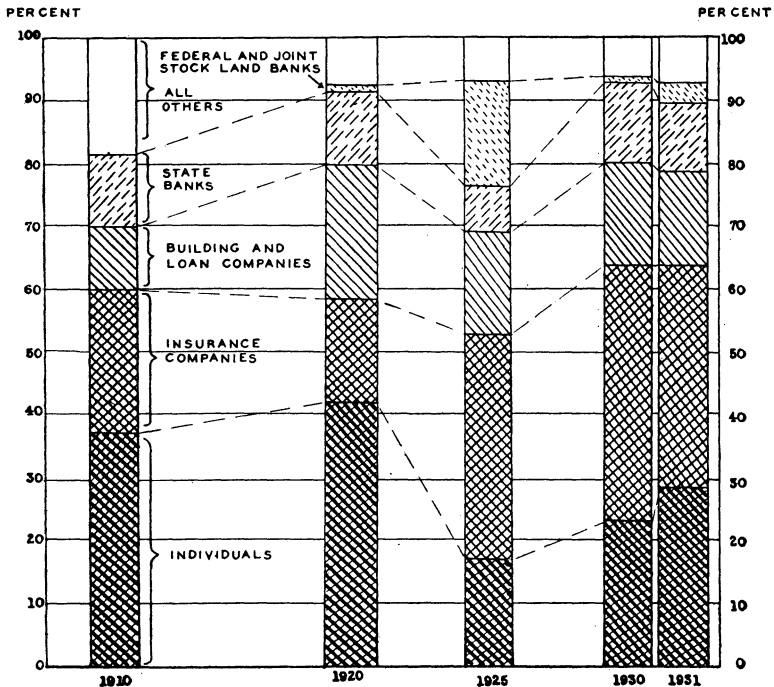


Fig. 2.—Source of Funds Loaned on Farm Real Estate Mortgages in Putnam, Union, and Greene Counties in 1910, 1920, 1925, 1930, and 1931

Individuals and State Banks were much more important as farm real estate loan agencies in 1910 and 1920 than in 1925, 1930, and 1931. In 1910 and 1920, 56 per cent of the number of farm mortgage loans recorded in these three Counties was made by Individuals and State Banks. In 1925, 1930, and 1931 these two agencies made 42 per cent of all loans. Of the 5 years for which data were tabulated, 1925 was the biggest year for Insurance Companies in this territory. From 1910 to 1925 the number of Insurance Company loans recorded increased 24 per cent. There was a big decrease in the number of Insurance Company loans from 1925 to 1931. In 1931 there were 31 per cent fewer loans recorded by these companies than in 1910. Building and Loan Companies made their greatest gain from 1910 to 1920, the number of loans increasing 134 per cent from 1910 to 1920. In 1931 there were only eight more mortgages recorded by Building and Loans than in 1910.

These four agencies, Individuals, Insurance Companies, Building and Loans, and State Banks, made a larger percentage of the loans in Union County than in Putnam or Greene. For the 5 years covered by this study, these four agencies made 91 per cent of all recorded farm mortgage loans in Union County, 87 per cent of those in Greene County, and 86 per cent of those in Putnam County.

TABLE 5.—Farm Mortgage Loans Recorded by Various Agencies in Greene, Union, and Putnam Counties During 1910, 1920, 1925, 1930, and 1931

Loan agencies	Loans made				
	1910	1920	1925	1930	1931
	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
Individuals.....	417	467(e)	226(g)	189(i)	241(k)
Insurance companies.....	194(c)	163(f)	240(h)	173(j)	134(l)
Building and Loan Companies.....	95	222	167	150	103
State banks.....	138	135	89	80	75
National banks.....	3	5	12	23	16
Federal Land Banks.....	0	7	25	6	14
Joint Stock Land Banks.....	0	0	76	3	6
Unincorporated banks.....	13	9	8	3	4
Trust companies.....	13(d)	2	4	1	0
Private loan agencies.....(a)	64	36	4	8	8
Finance companies.....	0	1	8	3	7
Real estate companies.....	22	12	9	7	5
All others (b).....	14	18	12	3	12
<b>Total.....</b>	<b>973</b>	<b>1,077</b>	<b>880</b>	<b>649</b>	<b>625</b>

(a) All individuals making five or more loans per year on farm real estate.

(b) Miscellaneous agencies, such as benevolent organizations, educational institutions, etc.

(c) Six of these loans were extension agreements.

(d) One of these loans was an extension agreement.

(e) Three of these loans were extension agreements.

(f) Fourteen of these loans were extension agreements.

(g) One of these loans was an extension agreement.

(h) Twenty-three of these loans were extension agreements.

(i) Two of these loans were extension agreements.

(j) Sixty of these loans were extension agreements.

(k) Three of these loans were extension agreements.

(l) Forty of these loans were extension agreements.

**Amount loaned.**—For the 5 years covered by this analysis, Individuals, Insurance Companies, Building and Loan Companies, and State Banks loaned \$14,723,883, or 87 per cent of all money loaned on recorded farm real estate mortgages in these three counties. Over half of the total amount of funds was supplied by Individuals and Insurance Companies, Individuals loaning 32 per cent and Insurance Companies 27 per cent. Building and Loan Agencies furnished 17 per cent of the funds, and State Banks, 11 per cent.

There was an increase of 151 per cent in the amount of farm mortgage debt recorded during 1920 over that recorded during 1910. Each of the more important loan agencies made great expansions in its mortgage credit in these counties during 1920. The greatest percentage gain from 1910 to 1920 was made by Building and Loan Companies; these companies expanded their loans in 1920 by 493 per cent over what they were during 1910. Individuals loaned 178 per cent more in 1920 than in 1910. State Banks expanded their loans 165 per cent, and Insurance Companies increased their loans 80 per cent.

TABLE 6.—Farm Mortgage Loans Recorded by Various Agencies in Greene, Union, and Putnam Counties in 1910, 1920, 1925, 1930, and 1931

Loan agencies	Total amount loaned				
	1910	1920	1925	1930	1931
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Individuals.....	984,713	2,735,683(e)	675,186(g)	488,772(i)	476,805(k)
Insurance companies.....	592,495(c)	1,065,805(f)	1,405,988(h)	862,235(j)	605,910(l)
Building and Loan Companies.....	242,565	1,437,977	648,338	350,461	250,686
State banks.....	311,396	825,551	311,320	263,639	188,298
National banks.....	8,680	17,146	27,999	51,557	42,656
Federal Land Banks.....	0	39,500	101,105	18,500	38,900
Joint Stock Land Banks.....	0	0	507,800	11,000	14,150
Unincorporated banks.....	27,578	29,090	38,050	6,600	8,900
Trust companies.....	32,200(d)	20,000	60,500	3,000	0
Private loan agencies (a).....	113,299	92,598	13,630	17,310	21,873
Finance companies.....	0	450	40,186	18,550	9,118
Real estate companies.....	249,367	148,850	46,440	21,536	11,510
All others (b).....	47,834	147,232	66,798	5,581	27,716
Total (m).....	2,610,127	6,559,882	3,943,340	2,118,801	1,696,522

- (a) All individuals making five or more loans per year on farm real estate.  
 etc. (b) Miscellaneous agencies, such as benevolent organizations, educational institutions,  
 (c) Six of these loans amounting to \$19,300 were extension agreements.  
 (d) One of these loans amounting to \$1,000 was an extension agreement.  
 (e) Three of these loans amounting to \$7,500 were extension agreements.  
 (f) Fourteen of these loans amounting to \$48,400 were extension agreements.  
 (g) One of these loans amounting to \$2,000 was an extension agreement.  
 (h) Twenty-three of these loans amounting to \$160,900 were extension agreements.  
 (i) Two of these loans amounting to \$5,000 were extension agreements.  
 (j) Sixty of these loans amounting to \$311,140 were extension agreements.  
 (k) Three of these loans amounting to \$4,600 were extension agreements.  
 (l) Forty of these loans amounting to \$151,000 were extension agreements.  
 (m) The total amount loaned as shown in this table is slightly greater than that given in Table 2, Page 7. This difference is due to the fact that all loans recorded in the three counties are included in this total even though parts of farms mortgaged extend into adjoining counties. The totals in Table 2, Page 7, include only the loans made on land within the borders of the three counties.

During 1931 the total amount of recorded mortgage indebtedness in the three counties was 35 per cent less than that recorded during 1910. The greatest decrease was in loans by Individuals, amounting to 52 per cent less during 1931 than in 1910; State Bank loans on recorded mortgages were 40 per cent less; Building and Loan Companies loaned 3 per cent more and Insurance Companies 2 per cent more during 1931 than during 1910.

The volume of Insurance Company loans held up better from 1920 to 1931 than loans from any other important source. The total amount loaned on recorded farm real estate mortgages in these counties declined 74 per cent during 1931 from what it was during 1920. Loans from Individuals and Building and Loan Companies fell off 83 per cent during 1931 from their level in 1920, and loans of State Banks were 77 per cent below 1920, while Insurance Company loans were only 43 per cent under 1920.

The year 1925 was the only year in this study in which loans made by Federal and Joint Stock Land Banks were of any great consequence in these three counties. In 1925 these two sources accounted for 15 per cent of the total amount loaned. In 1930 these two agencies loaned 1.4 per cent of the total and, in 1931, 3.1 per cent.

The four agencies, Individuals, Insurance Companies, Building and Loan Companies, and State Banks, loaned a slightly larger percentage of the money on farm real estate in Union than in Putnam or Greene Counties. For the 5 years studied here, these agencies loaned 89 per cent of all the money loaned on recorded farm real estate mortgages in Union County, 87 per cent of the total in Greene County, and 86 per cent of all loaned in Putnam County.

For the period covered by this study there was quite a wide variation in the importance of Insurance Companies and Building and Loan Companies as sources of funds in the different counties. While Insurance Companies supplied 32 per cent of all farm mortgage funds in Putnam County and 31 per cent in Union County, they loaned only 12 per cent of all the funds in Greene County. On the other hand, Building and Loan Companies were more important in Greene County than in either of the other two counties, furnishing 32 per cent of all farm mortgage funds in Greene County, 13 per cent in Putnam County, and 11 per cent in Union County. Individuals furnished a larger percentage of the funds in Union County than in either of the other two counties. In Union County 36 per cent of the funds was loaned by Individuals, in Greene County 33 per cent, and in Putnam County 28 per cent. There was very little



difference in the relative importance of State Banks in the three counties, these institutions furnishing from 10 to 13 per cent of the total amount of funds.

**Average amount per loan.**—The average size of loan made by all agencies lending money in these counties during 1910, 1920, 1925, 1930, and 1931 was \$4,027. The average amount loaned per mortgage more than doubled from 1910 to 1920. By 1931, however, the average sized loan made was only \$31 more than in 1910.

The highest average amount per loan was that granted by Trust and Real Estate Companies, and the lowest average was that of Finance Companies. Of the four sources supplying 87 per cent of all the farm mortgage funds in these counties, Insurance Companies loaned the greatest average amount per mortgage; whereas Individuals showed the lowest average.

One important reason for the wide variation in the average amount loaned per mortgage is that some companies make it a policy to loan only on first mortgages and can, therefore, make larger loans with security. Another reason for the fact that some companies loan larger amounts on the average is that they have large amounts to invest, are investing at long range, and cannot afford to go to the expense of setting up the necessary machinery for making small loans. The average amount loaned by Insurance Companies was also relatively high in 1925, 1930, and 1931 because of the number of extensions made in these years renewing loans made in the years of higher prices.

TABLE 7.—Farm Mortgage Loans Recorded by Various Agencies in Greene, Union, and Putnam Counties in 1910, 1920, 1925, 1930, and 1931

Loan agencies	Average amount per loan				
	1910	1920	1925	1930	1931
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Individuals.....	2,361	5,858	2,988	2,586	1,978
Insurance companies.....	3,054	6,539	5,858	4,984	4,522
Building and Loan Companies.....	2,553	6,477	3,882	2,336	2,434
State banks.....	2,256	6,115	3,498	3,295	2,511
National banks.....	2,893	3,429	2,333	2,242	2,666
Federal Land Banks.....	0	5,643	4,044	3,083	2,628
Joint Stock Land Banks.....	0	0	6,682	3,667	2,358
Unincorporated banks.....	2,121	3,232	4,756	2,200	2,225
Trust companies.....	2,477	10,000	15,125	3,000	0
Private loan agencies*.....	1,770	2,572	3,408	2,164	2,734
Finance companies.....	0	450	5,023	6,183	1,303
Real estate companies.....	11,335	12,404	5,160	3,077	2,302
All others†.....	3,417	8,180	5,567	1,860	2,310
<b>Average.....</b>	<b>2,683</b>	<b>6,091</b>	<b>4,481</b>	<b>3,265</b>	<b>2,714</b>

\*All individuals making five or more loans per year on farm real estate.

†Miscellaneous agencies, such as benevolent organizations, educational institutions, etc.

A grouping of loans according to size for the 3 years 1910, 1920, and 1931 shows that 86.1 per cent of all loans made in 1910 ranged from \$1 to \$5000, that in 1920 only 52.7 per cent of the loans fell in this group, and that, in 1931, 86.5 per cent of the loans made ranged from \$1 to \$5000—almost the same range in size as in 1910. It will be observed, however, that in 1931 there was 3 per cent less loans under \$1000 and 3.7 per cent more in the group ranging from \$2000 to \$5000 than in 1910. In 1910, 13.5 per cent of the number of loans ranged from \$5000 to \$20,000; in 1920, 44.2 per cent fell within this range; and in 1931, 13.2 per cent.

TABLE 8.—Range in Size of Farm Real Estate Mortgages Recorded in Putnam, Union, and Greene Counties During 1910, 1920, and 1931

Size of loans	1910	1920	1931
<i>Dollars</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
1-1,000.....	23.3	6.7	20.3
1,000-2,000.....	26.9	12.2	26.6
2,000-3,000.....	17.5	13.6	20.0
3,000-4,000.....	11.5	11.8	11.5
4,000-5,000.....	6.9	8.4	8.1
Total (1-5,000).....	86.1	52.7	86.5
5,000-10,000.....	11.5	30.0	11.4
10,000-20,000.....	2.0	14.2	1.8
Total (5,000-20,000).....	13.5	44.2	18.2
Over 20,000.....	0.4	3.1	0.3
Total (1-20,000 and over).....	100.0	100.0	100.0

**Amount loaned per acre.**—For the 5 years covered by this study, Insurance Companies, Building and Loan Companies, Joint Stock Land Banks, and Real Estate Companies each loaned on the average more than \$45 per acre. The lowest average amount loaned per acre was by Finance Companies, averaging \$26 per acre. This variation in the amount loaned per acre is evidently determined in large part by whether loans are made on first, second, or, in some cases, on third or fourth mortgages. The fact that many of the loans of Insurance Companies in 1925, 1930, and 1931 were extensions of loans made when land was higher in price accounts, in part, for holding up the average amount per acre.

The average amount loaned per acre by all agencies increased from \$34 in 1910 to \$65 in 1920, an increase of 91 per cent. Aside from loans by Trust Companies, which made only a few loans, the greatest increase in the amount loaned per acre from 1910 to 1920 was made by State Banks. State Banks loaned on the average \$29 per acre in 1910 and \$63 per acre in 1920, an increase of 117 per

cent. Individuals loaned 94 per cent more per acre in 1920 than in 1910, Insurance Companies 88 per cent more, and Building and Loan Companies 84 per cent more.

**TABLE 9.—Farm Mortgage Loans Recorded by Various Agencies in Putnam, Union, and Greene Counties in 1910, 1920, 1925, 1930, and 1931**

Loan agencies	Amount loaned per acre on farm real estate				
	1910	1920	1925	1930	1931
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Individuals.....	35	68	34	32	27
Insurance companies.....	33	62	52	41	39
Building and Loan Companies.....	37	68	51	28	32
State banks.....	29	63	36	39	27
National banks.....	30	43	30	25	26
Federal Land Banks.....		65	42	32	17
Joint Stock Land Banks.....			58	29	27
Unincorporated banks.....	32	59	53	18	25
Trust companies.....	24	70	68	13	
Private loan agencies*	27	38	47	37	37
Finance companies.....		4	34	29	18
Real estate companies.....	43	67	47	27	25
All others†.....	28	62	37	19	26
Average.....	34	65	46	34	31

\*All individuals making five or more loans per year on farm real estate.

†Miscellaneous agencies, such as benevolent organizations, educational institutions, etc.

Of the four most important sources of farm loans, Individuals, Insurance Companies, Building and Loans, and State Banks, Individuals and State Banks made the greatest reduction in amount loaned per acre from 1920 to 1931. From 1920 to 1931 Individuals reduced their loans \$41, or 60 per cent per acre, and State Banks dropped their loans \$36, or 57 per cent per acre. Building and Loan Companies reduced their loans 53 per cent per acre, and Insurance Companies lowered theirs 37 per cent.

**Length of time for which loans were granted.**—The average length of time for which all loans were granted in these counties for the 4 years 1910, 1920, 1925, and 1930 was 5½ years. In 1910 loans were to run 4 years on the average. Those granted in 1920 were to run 4.8 years; those in 1925, 8 years; and in 1930, 4.9 years. The increase in the length of time for which these loans were granted in 1920, 1925, and 1930 is accounted for largely because Federal and Joint Stock Land Banks came into the field in these latter years, more especially in 1925. Building and Loan Companies also set up their loans to run longer in 1920, 1925, and 1930 than in 1910.

Of the four principal loan agencies, Building and Loan Companies granted their loans for the longest period of time. For the 4 years Building and Loan mortgages were to run 6.7 years on the

average. Insurance Company loans were drawn to run 6.2 years, loans of Individuals were made to run 3.7 years, and State Bank loans, 2.3 years.

TABLE 10.—Farm Mortgage Loans Recorded by Various Agencies in Putnam, Union, and Greene Counties in 1910, 1920, 1925, and 1930

Loan agencies	Average length of time for which loans were granted <sup>§</sup>			
	1910	1920	1925	1930
	<i>Years</i>	<i>Years</i>	<i>Years</i>	<i>Years</i>
Individuals .....	3.4	3.9	3.1	3.6
Insurance companies .....	6.7	5.8	6.5	5.9
Building and Loan Companies .....	2.7	7.0	7.8	6.1
State banks .....	2.4	2.6	2.0	1.6
National banks .....	2.3	1.7	1.9	0.5
Federal Land Banks .....		22.6	22.6	22.6
Joint Stock Land Banks .....			23.5	21.7
Unincorporated banks .....	4.4	2.7	2.9	0.9
Trust companies .....	3.8	4.6	1.0	6.0
Private loan agencies* .....	2.1	4.1	0.8	8.4
Finance companies .....		0.8	0.8	0.8
Real estate companies .....	4.8	6.1	5.4	6.6
All others† .....	2.1	2.4	1.1	1.0
Average‡ .....	4.0	4.8	8.0	4.9

\*All individuals making five or more loans per year on farm real estate.

†Miscellaneous agencies, such as benevolent organizations, educational institutions, etc.

‡Weighted according to the amount loaned for different periods of time.

§A very common stipulation in these mortgage contracts was that the mortgagor should have the privilege of paying an additional \$100 or any multiple thereof at any interest pay day.

The longest average length of time for which any loans were to run was that of the Federal and Joint Stock Land Banks. These loans were made to run, on the average, 23 years. Finance Companies loaned for the shortest period of time, 0.8 year.

**Length of time loans actually ran.**—It is of interest to compare the length of time loans actually ran before cancellation with the length of time for which they were granted. The average length of time for which loans were granted in 1910 was 4 years. At the end of a 5-year period the records show that only 61.3 per cent of the indebtedness had been cancelled. Loans in 1920 were granted, on the average, for 4.8 years, but at the end of 5 years only 54.3 per cent of the amount loaned had been cancelled. The average length of time for which loans were granted in 1925 was 8 years, and at the end of 5 years only 34.5 per cent had been cancelled.<sup>3</sup>

At the close of 1930 a period of 21 years had elapsed for the mortgages granted during 1910. This gives a sufficient length of time in which to compare the length of time mortgages actually ran

<sup>3</sup>It should be kept in mind that the figures given here are only for cancellations and that no figures are available on the actual amount paid on a mortgage until it is cancelled at the Recorder's Office.

with the length of time for which they were granted. At the close of 5 years, 61 per cent of the amount borrowed in 1910 had been cancelled; at the end of 10 years, 88 per cent had been cancelled; and at the end of 21 years, 96.6 per cent had been cancelled.<sup>4</sup> The average length of time run by those cancelled at the end of 5 years was 2.4 years, those cancelled at the end of 10 years ran on the average 3.9 years, and those cancelled at the end of 21 years ran on the average 4.7 years. On the average then, those loans granted in 1910 were made to run 4 years and actually ran 4 years and 8½ months.<sup>5</sup>

The amount borrowed in 1920 was to have been paid off in 4.8 years. At the end of 1925, a period of 5 years, only 54 per cent of the amount borrowed had been cancelled; and at the close of 1930, 10 years after these mortgages were granted, 82 per cent of the amount borrowed had been cancelled. The amount cancelled at the end of 10 years had run, on the average, 4.1 years.

Of the amount borrowed on farm mortgages in 1910, 61 per cent was cancelled within 5 years; of that borrowed in 1920, 54 per cent was cancelled at the end of 5 years; and of that loaned in 1925, 35 per cent was cancelled at the end of 5 years. There are two principal reasons why loans made in 1920 and 1925 were paid off more slowly than those made in 1910. Those loans made in 1920 and 1925 were set up to run longer than those in 1910. Federal and Joint Stock Land Banks and Building and Loan Companies were mainly responsible for lengthening the time for which loans granted in 1920 and 1925 were to run. Another reason why loans were slower in being paid off following 1920 and 1925 was the fact that farm income fell rapidly following 1920.

The loans made by Individuals in 1910 were set up to run, on the average, 3.4 years. At the close of 1930 (that is, 21 years later) 99.3 per cent of these loans had been cancelled and actually ran on the average 3.6 years. Loans made by Insurance Companies in 1910 were to run 6.7 years. At the close of 21 years, 97.2 per cent of these loans had been cancelled, running on the average 6.8 years. Loans made by Building and Loan Companies which were made in 1910 to run 2.7 years actually ran 5.9 years, and those made by State Banks to run 2.4 years actually ran 4 years.

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<sup>4</sup>It is quite probable that practically all loans had actually been paid off by this time but that a few had not been officially cancelled at the Recorder's Office.

<sup>5</sup>The averages used here are weighted; that is, the length of time a loan ran or was set up to run was weighted according to the amount of the loan.

TABLE 11.—Duration of Farm Mortgage Loans Recorded in Putnam, Union, and Greene Counties in 1910, 1920, and 1925

	Loans recorded in 1910			Loans recorded in 1920			Loans recorded in 1925		
	Amount		Average length of time run	Amount		Average length of time run	Amount		Average* length of time run
	<i>Dollars</i>	<i>Per cent</i>		<i>Dollars</i>	<i>Per cent</i>		<i>Dollars</i>	<i>Per cent</i>	
Cancelled at the end of 5 years.....	1,601,417	61.3	2.4	3,559,319	54.3	2.7	1,362,309	34.5	2.3
Cancelled at the end of 10 years.....	2,300,174	88.1	3.9	5,401,796	82.4	4.1	.....	.....	.....
Cancelled by January 1, 1931.....	2,521,258	96.6	4.7	.....	.....	.....	.....	.....	.....

\*These averages are weighted by the amount of each loan.

**Interest rates.**—The average rate of interest charged on all loans in these three counties for the 4 years 1910, 1920, 1925, and 1930 was 6 per cent. The average increased from 5.7 per cent in 1910 to 6.1 per cent in 1920, fell to 5.9 in 1925, and in 1930 averaged 6.1 per cent, the same as in 1920.

The rate for loans of Individuals, Insurance Companies, Building and Loan Companies, and State Banks, the source of 87 per cent of the funds in these counties, averaged 6.0 per cent for the 4 years 1910, 1920, 1925, and 1930. Of these four sources, State Banks showed the highest rate of interest, 6.7 per cent. The rate for Building and Loan Companies averaged 6.3 per cent, Individuals 6.0 per cent, and Insurance Companies 5.4 per cent. The average rate of interest for these four agencies increased from 5.7 in 1910 to 6.1 in 1920, fell to 5.9 in 1925, and averaged 6.1 in 1930. The interest rate charged by Individuals, Building and Loans, and State Banks was higher in 1925 than in 1920, while Insurance Company rates were lower by one-half per cent in 1925 than in 1920.

**TABLE 12.—Farm Mortgage Loans Recorded by Various Agencies in Putnam, Union, and Greene Counties in 1910, 1920, 1925, and 1930**

Loan agencies	Average rate of interest			
	1910	1920	1925	1930
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
Individuals.....	5.9	6.0	6.2	6.1
Insurance companies.....	5.0	5.7	5.2	5.5
Building and Loan Companies.....	6.0	6.1	6.5	6.7
State banks.....	6.4	6.7	6.9	6.9
National banks.....	7.3	6.6	7.1	6.7
Federal Land Banks.....		5.5	5.2	5.5
Joint Stock Land Banks.....			5.9	6.0
Unincorporated banks.....	6.1	6.7	6.4	8.0
Trust companies.....	5.3	7.0	5.8	7.0
Private loan agencies*.....	6.2	6.1	7.0	5.7
Finance companies.....		6.5	7.0	7.0
Real estate companies.....	5.2	6.0	5.6	5.9
All others†.....	5.7	6.0	5.9	6.8
<b>Average‡.....</b>	<b>5.7</b>	<b>6.1</b>	<b>5.9</b>	<b>6.1</b>

\*All individuals making five or more loans per year on farm real estate.

†Miscellaneous agencies, such as benevolent organizations, educational institutions, etc.

‡Weighted according to the amount loaned at the different rates.

The highest average rate of interest charged by any loan agency for the 4-year period for which this analysis was made was 7 per cent. The records of Finance Company loans showed an average rate of 7 per cent. The lowest rate shown for the period was 5.3 per cent, charged by Federal Land Banks. The difference between these two extremes in interest rate is due, in part, to a difference in risk involved and, in part, to the length of time for

which loans are granted. Finance Company loans were made to run, on the average, 9 months and 6 days, while Federal Land Bank loans were to run 22 years and 7 months.

The highest interest rate shown by the records for all loans for the 4 years 1910, 1920, 1925, and 1930 was in Greene County, and the lowest was in Putnam County. The average was 5.8 per cent in Putnam County, 6 per cent in Union County, and 6.2 per cent in Greene County.

It should be kept in mind that the figures presented here on interest are based entirely upon the rates specified in the mortgage contracts and that they do not represent the complete cost of loans. Other costs, such as charges for abstracting titles, attorney's fees, recording fees, commissions, interest payments in advance, etc., may all enter into the total cost of loans.

Although interest rates are very important in determining the source from which a borrower looks for a loan, they are not the only guide, and, in some cases, the rate of interest is of secondary consideration. The borrower may need the money at once and therefore cannot wait the necessary amount of time required to secure a loan from those agencies loaning at a lower rate of interest. The major consideration may be to get the loan as soon as possible, or the main purpose of the borrower may be to get his loan on a second or third mortgage, being quite willing to pay a high rate of interest for this privilege. Another consideration may be leniency in the matter of payments. An extension of time may make the difference between holding and losing his farm, and for this consideration the farmer is quite willing to pay a higher rate of interest.

#### FORECLOSURES ON FARM REAL ESTATE

**Number of foreclosures.**—Foreclosures on farm real estate in Putnam, Union, and Greene Counties averaged 4 per year from 1910 to 1914, 5 from 1915 to 1919, 14 from 1920 to 1924, 37 from 1925 to 1929, and 80 in 1931. The number of foreclosures on farm real estate in these three western Ohio counties increased 1900 per cent from the 5-year period 1910-1914 to 1931. Most of this increase came after 1921; the greatest gains in number of foreclosures were from 1921 to 1922 and from 1930 to 1931.

**Acres of land involved in foreclosures.**—The average acreage on which foreclosures were made from 1910 to 1914 was 341 acres. By 1931 the acreage foreclosed on had increased to 9,467, an increase of 2,676 per cent.



**Judgment and sale value.**—During the 11 years from 1910 to 1920, there was only one year, 1916, in which the sale value of the property on which foreclosure proceedings were had was less than the judgment allowed by the court against the property. The judgment exceeded the sale value of the property foreclosed on every year after 1924. In 1931 the judgment exceeded the sale value of the property by \$179,362, or 44 per cent.

The greatest number of foreclosures occurred in Union County. Of the 419 foreclosures in the period from 1910 to 1931, 209, or one-half, were in Union County. Of the remaining 210 foreclosures, 136 occurred in Putnam County and 74 in Greene County. The greatest difference between the judgment against the property and its sale value also occurred in Union County. For the period 1925 to 1931, when foreclosures were increasing most rapidly, land foreclosed on in Union County sold for 73 per cent of the judgment allowed against the property; whereas in Putnam County it brought 83 per cent of the judgment and in Greene County 88 per cent of the judgment.

TABLE 13.—Foreclosures on Farm Real Estate in Putnam, Union, and Greene Counties, Ohio, 1910-1931

Year	Fore- closures	Amount of land	Judgment against property	Amount for which property sold	Difference between judgment and sale
	<i>Number</i>	<i>Acres</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
1910.....	8	950	47,132	52,261	+ 5,129
1911.....	2	56	1,570	3,284	+ 1,714
1912.....	1	100	578	7,100	+ 6,522
1913.....	2	272	272	15,675	+ 15,403
1914.....	6	325	18,888	26,745	+ 7,857
Average, 1910-1914.....	4	341	13,688	21,013	+ 7,325
1915.....	5	265	9,818	15,835	+ 6,017
1916.....	5	390	35,825	34,883	- 942
1917.....	4	246	5,728	15,842	+ 10,114
1918.....	5	145	6,861	7,751	+ 890
1919.....	6	358	20,096	35,613	+ 15,517
Average, 1915-1919.....	5	281	15,666	21,985	+ 6,319
1920.....	3	161	8,046	13,218	+ 5,172
1921.....	8	558	42,301	40,209	- 2,092
1922.....	20	2,810	206,001	221,414	+ 15,413
1923.....	15	1,475	114,644	92,293	- 22,351
1924.....	23	2,253	118,868	146,250	+ 27,382
Average, 1920-1924.....	14	1,451	97,972	102,677	+ 4,705
1925.....	30	3,280	249,569	210,836	- 38,733
1926.....	29	2,782	186,289	157,153	- 29,136
1927.....	33	3,918	208,133	195,471	- 12,662
1928.....	45	5,420	380,197	287,441	- 92,756
1929.....	46	4,321	281,588	221,668	- 59,920
Average, 1925-1929.....	37	3,944	261,155	214,514	- 46,641
1930.....	43	4,814	234,079	177,875	- 56,204
1931.....	80	9,467	587,569	408,207	-179,362

**Voluntary assignments to settle debt.**—In addition to forced sales there were also a number of voluntary transfers of title to satisfy mortgage claims. In 1925 the titles to 19 farms in Putnam, Union, and Greene Counties were voluntarily transferred to financial institutions, such as Insurance Companies, Banks, Real Estate Companies, etc. In 1931 the titles to 36 farms were transferred to such institutions. From 1925 to 1930 the number of voluntary assignments of farms to financial institutions amounted to within 30 per cent as many as were foreclosed by financial institutions.

**TABLE 14.—Farms in Putnam, Union, and Greene Counties Voluntarily Assigned to Financial Institutions, 1925 to 1931**

Year	Farms	Land
	<i>No.</i>	<i>Acres</i>
1925.....	19	2,285
1926.....	19	1,695
1927.....	14	2,296
1928.....	21	3,019
1929.....	35	3,350
1930.....	33	3,746
1931.....	36	4,065

Foreclosures and voluntary transfers of title to financial institutions do not give a complete picture of sales to satisfy mortgage claims. In addition, there were also voluntary transfers of title to individuals to satisfy mortgage claims. It was, of course, impossible to distinguish between voluntary transfers to individuals to satisfy mortgage claims and those made for other reasons.

Union County showed the greatest number of voluntary transfers of title to financial institutions. For this period, 1925 to 1931, there were 80 such voluntary transfers in Union County and 97 in Putnam and Greene Counties combined.

**TABLE 15.—Foreclosures on Farm Real Estate Made by Financial Institutions in Putnam, Union, and Greene Counties (1925-1931)**

Year	Foreclosures	Amount of land	Judgment against property	Amount for which property sold
	<i>No.</i>	<i>Acres</i>	<i>Dol.</i>	<i>Dol.</i>
1925.....	24	2,665	198,410	169,681
1926.....	23	2,403	167,936	136,591
1927.....	30	3,090	193,576	185,221
1928.....	42	5,165	368,364	269,057
1929.....	33	3,437	213,473	160,088
1930.....	32	3,746	194,115	139,888
1931.....	69	8,929	550,171	378,645

## CHATTEL MORTGAGES

*CHATTEL MORTGAGES ON URBAN AND RURAL PROPERTY  
IN PUTNAM, UNION, AND GREENE COUNTIES*

**Number of chattel mortgages.**—From 1910 to 1929 there was an increase of 7,976, or 508 per cent, in the number of chattel mortgages filed in Putnam, Union, and Greene Counties. The peak in the chattel mortgage business in these three counties was reached in 1929. From 1929 to 1930 there was a decrease of 871 in the number of chattels filed, and from 1930 to 1931 a further decline of 335. Of the 8,676 chattel mortgages filed in these three counties in 1930, 4,316, or one-half, were in Greene County; the remaining 4,360 were divided fairly evenly between Putnam and Union Counties.

**Money borrowed on chattel mortgages.**<sup>6</sup>—The amount of money borrowed on chattel mortgages in these three counties increased by \$2,730,327, or 752 per cent, from 1910 to 1929. From 1929 to 1930 the amount secured on chattel mortgages declined \$399,256, or 13 per cent. Of the \$2,693,972 secured by chattel mortgages in 1930, slightly less than half, or \$1,095,487, was borrowed in Greene County.

**Average amount per loan.**—The average amount per chattel filed increased rather steadily from 1915 to 1921 and, since 1921, has been on the decline. For this period of 21 years, chattel loans averaged higher per loan in Union County than in either of the other two counties. The reason for this higher average amount in Union County was that some merchants in Union County made it a practice of financing their businesses by borrowing on chattels until their goods were sold. Many of these loans amounted to as much as \$4000.

**Amount borrowed did not vary with price level.**—The average amount per loan has followed in general the trend in the price level, but the trend in the number of chattels filed and the amount of money borrowed has not followed the general price level. From 1915 to 1920, when prices generally were on the increase, the number of chattel mortgages filed actually decreased, and the amount of money borrowed on chattels remained practically stationary. The wholesale and retail price levels declined rapidly from 1920 to 1921 and fluctuated slightly above and below this 1921 level until 1929, while both the number of chattel mortgages filed and the amount of money borrowed on chattels continued to increase each year following 1920 until 1929.

<sup>6</sup>This includes only those chattel loans filed. A great amount of money is borrowed on personal notes; this money is not included in these tabulations.

TABLE 16.—Chattel Mortgages Filed in Putnam, Union, and Greene Counties, 1910-1931

Year	Chattel mortgages filed	Average amount per chattel mortgage filed	Amount of money borrowed on chattel mortgages
	<i>Number</i>	<i>Dollars</i>	<i>Dollars</i>
1910.....	1,571	231	362,901
1911.....	1,624	259	420,616
1912.....	1,776	256	454,656
1913.....	1,878	237	445,086
1914.....	2,028	256	519,168
1915.....	2,379	228	542,412
1916.....	2,091	237	495,567
1917.....	1,882	280	526,960
1918.....	1,490	314	467,860
1919.....	1,638	354	579,852
1920.....	1,793	406	727,958
1921.....	2,655	410	1,088,550
1922.....	3,429	402	1,378,458
1923.....	4,413	341	1,504,833
1924.....	5,054	353	1,784,062
1925.....	5,932	336	1,993,152
1926.....	6,454	333	2,149,182
1927.....	7,035	306	2,152,710
1928.....	8,266	320	2,645,120
1929.....	9,547	324	3,093,228
1930.....	8,676	311	2,693,972
1931.....	8,341		

The amount of money borrowed on filed chattel mortgages may not give a fair picture of the trend in the amount of short time borrowing to finance small purchases for the reason that a larger proportion of these borrowings is secured by filed chattel mortgages in recent years than formerly. This comes about as a natural result of the growth of the chattel mortgage business. The growth of chattel loan companies is a relatively recent development, and with the growth of this business merchants and others loaning small amounts are more apt to require a chattel mortgage rather than just a personal note, as was formerly the case. The merchant who sells a farmer a binder on credit may now require a chattel mortgage on the binder, for he knows that the purchaser may later need money and may borrow on a chattel mortgage, which may name the binder along with other chattels as security for the loan. Therefore, the implement dealer is forced to take a chattel on the binder to protect himself.

**Security given.**—The security given for chattel loans in these three counties showed great variation. Automobiles, household furnishings (including furniture, radios, pianos, etc.), livestock, farm machinery, and crops and feeds were used most frequently as security. In many instances several chattels are listed in the mortgage as security.

*CHATTEL MORTGAGES ON FARM PROPERTY IN PUTNAM,  
UNION, AND GREENE COUNTIES*

Some idea of the extent of the chattel loan business is gained by the fact that in 1930 farmers in these three counties borrowed \$1,484,202, or within 71 per cent as much on chattel mortgages as on farm real estate mortgages.

Chattel loans to farmers averaged higher in amount than those to city residents, farm loans in the three counties averaging \$327 in 1930 and city loans \$293. In Union County, however, city loans averaged higher than farm loans. The reason for this was that a number of large chattel loans were made to city merchants in this county in 1930.

In both Putnam and Union Counties chattel loans to farmers far out-numbered loans to city residents, but in Greene County a larger number of loans was made to city than rural residents. The main reason for this was the fact that a smaller percentage of Greene County people live in rural districts. In 1930, 31 per cent of the population in Greene County lived on farms, as compared with 57 per cent in Putnam County and 51 per cent in Union County.

**Source of funds.**—Slightly less than one and a half million dollars were secured by chattel loans on farm property in Putnam, Union, and Greene Counties in 1930. This money was loaned mainly by Banks, Individuals, Finance Companies, and Motor Sales Agencies. This source accounted for \$1,184,048, or 80 per cent of the money loaned on farm chattels. The most important source of chattel loans to farmers was banks. Banks advanced 23 per cent of the total amount loaned to farmers on chattel mortgages in 1930, Individuals loaned 21 per cent, Finance Companies 18 per cent, Motor Sales 17 per cent, Implement Dealers 11 per cent, Agricultural Credit Corporations 2 per cent, and Miscellaneous sources 7 per cent. The miscellaneous loans were made up of loans from merchants (mainly, furniture stores, hardware stores, music stores, electrical equipment stores, elevators, etc.).

**TABLE 17.—Chattel Mortgages Filed in Putnam, Union, and Greene Counties, Ohio, According to Residence of Mortgagors in 1930**

	Mortgages filed	Average per mortgage	Amount borrowed
	<i>No.</i>	<i>Dol.</i>	<i>Dol.</i>
Farm.....	4,543	327	1,484,202
City.....	4,133	293	1,209,170
Farm and city .....	8,676	311	2,693,972

Although the greatest amount of chattel money was loaned by Banks and Individuals, the greatest number of loans was made by Motor Sales Agencies and Finance Companies. Finance Companies and Motor Sales Agencies made 52 per cent of all loans made in these three counties in 1930.

The average size of chattel loans made in 1930 varied from \$214 for Motor Sales Agencies to \$1,211 for Agricultural and Livestock Credit Corporations. Bank loans averaged \$941, Individual loans \$504, Finance Company loans averaged \$233, and loans by Implement Dealers averaged \$235.

The greatest amount of money advanced to farmers on chattel mortgages in Putnam County was by Individuals. Individuals advanced \$102,050, or 24 per cent of the total amount of chattel loans to farmers in Putnam County. Individuals and Banks together loaned \$189,350, or 44 per cent of the total amount of money loaned on farm chattels in this county. Federal Intermediate Credit was more important in Putnam County than in either of the other two counties. Farmers in Putnam County secured 14 loans amounting to \$12,887 through their Agricultural and Livestock Credit Corporations in 1930.

In Union County, banks were the most important single source of chattel loan money to farmers. Banks loaned \$191,799, or 36 per cent of all the chattel loan money to farmers in Union County in 1930. Bank loans averaged \$1,162 in Union County; whereas, the average of the 1,511 loans in that county to farmers averaged \$356.

TABLE 18.—Source of Chattel Loans to Farmers in Putnam, Union, and Greene Counties in 1930

Loan agencies	Loans made	Per cent of total	Amount loaned	Per cent of total	A. v. size per loan
	<i>Number</i>	<i>Per cent</i>	<i>Dollars</i>	<i>Per cent</i>	<i>Dollars</i>
Banks.....	359	7.9	337,731	22.8	941
Individuals.....	626	13.8	315,358	21.2	504
Finance companies.....	1,172	25.8	272,543	18.4	233
Motor sales.....	1,208	26.6	258,416	17.4	214
Implement dealers.....	710	15.6	166,627	11.2	235
Agricultural and livestock credit corporations*	21	0.5	25,424	1.7	1,211
Miscellaneous†.....	447	9.8	108,103	7.3	242
Total.....	4,543	100.0	1,484,202	100.0	327

\*Funds secured through the Intermediate Credit Banks.

†Loans made principally by retail merchants.

In Greene County the greatest amount of money advanced on farm chattels in 1930 was by Motor Sales Companies. Motor Sales Agencies loaned \$131,152, or 26 per cent of all loans on farm

chattels. Finance Companies ranked second, providing 22 per cent of all such funds; Individuals furnished 21 per cent and Banks 11 per cent.

**Interest rates.**—The interest rates charged on chattel loans ranged from 5 per cent per year to 3 per cent per month. The most frequent rates mentioned in these chattel loan contracts were 6, 7, and 8 per cent. Three per cent per month was frequently stipulated in contracts with Finance Companies for amounts less than \$300.

## Appendix A.—Recorded Farm Real Estate Mortgage Indebtedness in Putnam County, by Townships. 1910, 1920, 1925, and 1930

	Monroe	Palmer	Van Buren	Greensburg	Union	Blanchard	Liberty	Pleasant
<b>1910</b>								
Mortgages recorded ..... (Number) ..	47	41	22	32	27	28	31	37
Mortgage indebtedness recorded..... (Dollars) ..	287,119	96,173	75,823	84,439	76,953	53,410	86,515	92,038
Mortgage indebtedness recorded per acre.. (Dollars) ..	39	37	46	37	39	31	37	40
<b>1920</b>								
Mortgages recorded ..... (Number) ..	36	26	31	18	28	46	33	33
Mortgage indebtedness recorded..... (Dollars) ..	321,813	128,044	214,052	120,810	119,595	202,204	247,284	224,562
Mortgage indebtedness recorded per acre.. (Dollars) ..	72	61	85	61	64	54	77	79
<b>1925</b>								
Mortgages recorded ..... (Number) ..	26	22	26	27	33	26	35	27
Mortgage indebtedness recorded..... (Dollars) ..	115,300	85,013	76,148	118,798	98,352	86,447	155,965	145,466
Mortgage indebtedness recorded per acre.. (Dollars) ..	42	42	42	46	38	53	56	67
<b>1930</b>								
Mortgages recorded ..... (Number) ..	13	12	21	12	19	35	34	15
Mortgage indebtedness recorded..... (Dollars) ..	30,765	39,038	76,670	50,600	51,815	112,743	133,041	47,970
Mortgage indebtedness recorded per acre.. (Dollars) ..	29	34	46	41	32	37	40	44

	Jennings	Perry	Ottawa	Sugarcreek	Jackson	Riley	Monterey	Total
<b>1910</b>								
Mortgages recorded ..... (Number) ..	14	35	34	22	26	17	19	432
Mortgage indebtedness recorded..... (Dollars) ..	51,850	63,105	75,198	54,261	64,650	40,064	48,445	1,250,043
Mortgage indebtedness recorded per acre.. (Dollars) ..	47	29	35	32	34	28	38	37
<b>1920</b>								
Mortgages recorded ..... (Number) ..	25	31	40	31	21	20	19	438
Mortgage indebtedness recorded..... (Dollars) ..	149,261	144,100	221,931	199,442	123,389	152,288	118,073	2,686,848
Mortgage indebtedness recorded per acre.. (Dollars) ..	73	50	62	86	74	90	77	70
<b>1925</b>								
Mortgages recorded ..... (Number) ..	23	31	20	29	15	21	14	375
Mortgage indebtedness recorded..... (Dollars) ..	117,626	138,544	63,094	111,046	64,299	83,783	62,374	1,522,255
Mortgage indebtedness recorded per acre.. (Dollars) ..	57	49	43	48	53	50	60	49
<b>1930</b>								
Mortgages recorded ..... (Number) ..	16	10	15	17	17	19	15	270
Mortgage indebtedness recorded..... (Dollars) ..	55,206	17,210	42,072	48,751	66,761	67,464	53,625	893,731
Mortgage indebtedness recorded per acre.. (Dollars) ..	35	24	35	41	51	46	50	39



## Appendix B.—Recorded Farm Real Estate Mortgage Indebtedness in Union County, by Townships. 1910, 1920, 1925, and 1930

	Liberty	Washington	York	Allen	Paris	Dover	Leesburg	Claibourne
<b>1910</b>								
Mortgages recorded..... (Number) ..	49	39	44	21	29	20	22	23
Mortgage indebtedness recorded..... (Dollars) ..	79,074	74,749	89,356	32,955	82,209	44,530	53,152	56,987
Mortgage indebtedness recorded per acre.. (Dollars) ..	23	25	26	21	37	27	33	36
<b>1920</b>								
Mortgages recorded..... (Number) ..	50	29	38	33	44	27	30	35
Mortgage indebtedness recorded..... (Dollars) ..	190,169	151,100	192,513	109,635	195,466	119,274	176,488	225,156
Mortgage indebtedness recorded per acre.. (Dollars) ..	43	59	56	44	54	53	68	75
<b>1925</b>								
Mortgages recorded..... (Number) ..	44	16	35	37	21	20	18	19
Mortgage indebtedness recorded..... (Dollars) ..	145,443	54,533	85,754	138,233	67,545	127,525	77,100	125,425
Mortgage indebtedness recorded per acre.. (Dollars) ..	33	34	34	36	44	61	42	65
<b>1930</b>								
Mortgages recorded..... (Number) ..	22	14	30	17	22	18	21	19
Mortgage indebtedness recorded..... (Dollars) ..	68,130	27,413	51,849	47,521	76,226	37,859	39,320	42,110
Mortgage indebtedness recorded per acre.. (Dollars) ..	25	20	23	22	33	31	30	42

	Taylor	Jerome	Union	Darby	Jackson	Millcreek	Total
<b>1910</b>							
Mortgages recorded..... (Number) ..	22	20	16	13	16	9	343
Mortgage indebtedness recorded..... (Dollars) ..	29,610	50,822	75,454	34,289	39,920	19,187	762,294
Mortgage indebtedness recorded per acre.. (Dollars) ..	22	30	58	33	33	31	30
<b>1920</b>							
Mortgages recorded..... (Number) ..	42	28	15	8	12	18	409
Mortgage indebtedness recorded..... (Dollars) ..	122,713	122,533	165,627	24,652	79,700	87,500	1,962,526
Mortgage indebtedness recorded per acre.. (Dollars) ..	43	48	85	44	69	54	56
<b>1925</b>							
Mortgages recorded..... (Number) ..	17	32	25	13	8	14	319
Mortgage indebtedness recorded..... (Dollars) ..	74,408	136,307	122,595	57,773	25,300	64,360	1,302,301
Mortgage indebtedness recorded per acre.. (Dollars) ..	42	40	50	48	34	40	42
<b>1930</b>							
Mortgages recorded..... (Number) ..	17	16	8	10	7	10	231
Mortgage indebtedness recorded..... (Dollars) ..	38,498	42,448	57,087	26,735	23,400	39,667	618,263
Mortgage indebtedness recorded per acre.. (Dollars) ..	27	35	39	26	26	38	29

**Appendix C.—Recorded Farm Real Estate Mortgage Indebtedness in Greene County, by Townships. 1910, 1920, 1925, and 1930**

	Spring Valley	Miami	Ross	Caesars Creek	Sugar Creek	Xenia	Bath
<b>1910</b>							
Mortgages recorded..... (Number) ..	16	13	8	14	18	32	20
Mortgage indebtedness recorded..... (Dollars) ..	57,973	42,350	16,193	26,155	29,114	102,223	42,799
Mortgage indebtedness recorded per acre.. (Dollars) ..	34	35	20	20	32	40	28
<b>1920</b>							
Mortgages recorded..... (Number) ..	25	22	19	26	17	44	25
Mortgage indebtedness recorded..... (Dollars) ..	110,314	145,750	164,225	110,785	112,248	419,361	166,255
Mortgage indebtedness recorded per acre.. (Dollars) ..	47	77	75	51	65	95	63
<b>1925</b>							
Mortgages recorded..... (Number) ..	15	12	13	17	16	43	16
Mortgage indebtedness recorded..... (Dollars) ..	66,700	48,600	110,250	52,100	60,449	162,501	127,390
Mortgage indebtedness recorded per acre.. (Dollars) ..	47	38	53	35	40	40	60
<b>1930</b>							
Mortgages recorded..... (Number) ..	12	11	7	16	15	36	10
Mortgage indebtedness recorded..... (Dollars) ..	31,110	31,945	37,350	27,762	26,348	106,386	21,183
Mortgage indebtedness recorded per acre.. (Dollars) ..	24	43	34	20	26	39	36

	Beaver Creek	New Jasper	Silver Creek	Cedarville	Jefferson	Total
<b>1910</b>						
Mortgages recorded..... (Number) ..	34	8	12	17	20	212
Mortgage indebtedness recorded..... (Dollars) ..	84,035	13,645	30,610	59,538	69,451	574,086
Mortgage indebtedness recorded per acre.. (Dollars) ..	35	31	49	32	44	34
<b>1920</b>						
Mortgages recorded..... (Number) ..	29	9	18	24	9	267
Mortgage indebtedness recorded..... (Dollars) ..	147,458	46,968	93,300	161,015	53,020	1,730,699
Mortgage indebtedness recorded per acre.. (Dollars) ..	72	49	53	68	84	69
<b>1925</b>						
Mortgages recorded..... (Number) ..	36	8	7	9	19	211
Mortgage indebtedness recorded..... (Dollars) ..	204,725	20,050	14,350	31,900	67,241	966,256
Mortgage indebtedness recorded per acre.. (Dollars) ..	61	22	29	39	55	47
<b>1930</b>						
Mortgages recorded..... (Number) ..	34	8	11	12	13	185
Mortgage indebtedness recorded..... (Dollars) ..	118,742	29,810	33,800	75,030	24,598	564,064
Mortgage indebtedness recorded per acre.. (Dollars) ..	49	31	34	37	32	35

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